

ESTTA Tracking number: **ESTTA683842**

Filing date: **07/15/2015**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92057344
Party	Plaintiff Cloudpath Networks, Inc.
Correspondence Address	STEPHEN GRUBER NEUGEBOREN O'DOWD PC 1227 SPRUCE STREET, SUITE 200 BOULDER, CO 80302 UNITED STATES craig@neugeborenlaw.com, sarah@nodiplay.com
Submission	Brief on Merits for Plaintiff
Filer's Name	Craig Neugeboren
Filer's e-mail	craig@neugeborenlaw.com, sarah@nodiplay.com, vanessa@nodiplay.com
Signature	/Craig Neugeboren/
Date	07/15/2015
Attachments	Nonconfidential Main Brief_07152015.pdf(121887 bytes)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

Cloudpath Networks, Inc.,

Petitioner,

- against -

Racemi, Inc.,

Registrant.

Cancellation No.: 92057344

July 15, 2015

**PETITIONER'S MAIN BRIEF
NON-CONFIDENTIAL VERSION**

Craig A. Neugeboren

Vanessa L. Otero

Neugeboren O'Dowd PC

1227 Spruce St., Suite 200

Boulder, CO 80302

(720)-536-4900

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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
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Petitioner,	
- against -	
Racemi, Inc.,	July 15, 2015
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PETITIONER’S MAIN BRIEF

I. INTRODUCTION

The present case is a cancellation proceeding between Cloudpath Networks, Inc., (“Cloudpath Networks” or “Cloudpath”) and Racemi, Inc. (“Racemi”). On June 14, 2013, Cloudpath filed a petition to cancel the mark “CLOUD PATH,” registered by Racemi, Inc., for the following goods and services:

Software as a service (SAAS) services featuring a hosted computer software application for migrating computer operating systems, applications, and data between customer data centers and public cloud providers.

Racemi filed its registration for the mark CLOUD PATH on October 3, 2011, stating a first use date of August 23, 2011. Racemi’s CLOUD PATH mark, U.S. Reg. No 4,174,640, was registered on July 17, 2012.

Cloudpath Networks filed a registration for the mark CLOUDPATH on August 12, 2009. Cloudpath Networks has used the CLOUDPATH mark extensively and continuously since at least as early as October 1, 2008. The CLOUDPATH mark, U.S. Reg. No. 4,045,900, was registered on October 25, 2011, under the following goods and services description:

Providing access to online software for use in automated trouble shooting of computer software problems with access restricted to authorized users.

The record will also show that the goods and services Cloudpath Networks sells are very similar to those described in Racemi's registration: Software as a Service (SaaS) services featuring a hosted computer software application for migrating computer operating systems, applications, and data between public and private computer networks.

As grounds for the cancellation, Cloudpath asserts priority and likelihood of confusion. As a separate ground for cancellation, Cloudpath asserts that Racemi's CLOUD PATH mark is void *ab initio* because Racemi did not provide goods or services under the mark by the application filing date and did not actually provide any goods or services under the mark until well after the registration date.

Regarding priority and likelihood of confusion, the record will show that since well before Racemi's registration and use of the CLOUD PATH mark, Cloudpath Networks had not only registered the CLOUDPATH mark, but had extensively promoted and advertised it, establishing brand recognition and customer loyalty to the company itself and to the products sold under the Cloudpath Networks house mark. Nearly three years after Cloudpath Networks' first use, Racemi, selected the name "Cloud Path" for one of its several products. Racemi then applied for registration of the CLOUD PATH mark, even though it had discovered the existence

of Petitioner's CLOUDPATH mark for similar, if not identical, goods and services. Racemi proceeded with the application anyway, in hopes that the space between the words "Cloud" and "Path" would provide a sufficient distinction for the USPTO to grant the registration. Neither the CLOUDPATH mark, nor any other mark, was cited during the examination of the CLOUD PATH mark, and the CLOUD PATH mark was registered.

The space between the words of Racemi's mark has not provided any measure of distinction in the marketplace. As used by Racemi, and as read and heard by consumers, the marks are, in fact, identical. Further, several other factors show that the likelihood of confusion as to the source of the goods and services offered by Racemi and Cloudpath Networks is high. The goods and services themselves are very similar, as perceived by laypersons and technical consumers alike, and they move in the same channels of trade. Unsurprisingly, instances of actual confusion have already occurred.

In addition to the future damage possible due to the likelihood of confusion, Cloudpath Networks has already been damaged because it has been compelled to spend advertising dollars to prevent customers from being confused when searching for the company on the internet. Cloudpath Networks believes it will continue to be damaged if Racemi's CLOUD PATH mark is allowed to stand.

Further, the CLOUD PATH mark under which Racemi is currently causing confusion is not valid in the first place, because it was filed under 15 U.S.C. §1051(a), which allows applications for trademarks that are being used in commerce. The mark is void *ab initio* because no actual services were provided under the mark by the mark's application date.

This brief will discuss the record and the law supporting the foregoing summary, and in view of the arguments herein, Cloudpath respectfully asks this board to cancel Racemi's CLOUD PATH mark.

II. THE RECORD

The record in this case comprises:

- 1) The trial testimony of Kevin Koster, CEO of Cloudpath Networks, Inc. and accompanying testimony exhibits, filed February 20, 2015. Racemi did not take any testimony during its trial period.
- 2) The discovery depositions of James Strayer, VP of Marketing of Racemi, Inc., and Charles Watt, CTO of Racemi, Inc., and accompanying exhibits, submitted with Cloudpath's Notice of Reliance on December 22, 2014.
- 3) Various documents submitted with Cloudpath's Notice of Reliance on December 22, 2014, including Racemi's Responses to Requests for Admission and Racemi's Responses to Interrogatories.
- 4) Documents submitted with Cloudpath's Supplemental Notice of Reliance on February 17, 2015, including documents produced by Cloudpath and Racemi that are submitted in compliance with the procedural requirements of 37 C.F.R. § 2.122(e). Racemi did not submit any evidence under a Notice of Reliance.
- 5) Registration Certificate for Reg. No. 4,045,900 for the mark CLOUDPATH, owned by Cloudpath Networks, Inc.

Racemi did not serve any written discovery in this case.

III. ISSUES

- 1) Does Cloudpath possess prior and superior rights to Racemi in the United States under Section 2(d) of the Lanham Act?
- 2) Will the concurrent use of CLOUDPATH and CLOUD PATH, when applied to the parties' respective goods and services, likely confuse purchasers?
- 3) Did Racemi's failure to actually provide services in commerce in connection with the CLOUD PATH mark by the application filing date render the mark void *ab initio* under Section 1(a) of the Lanham Act?

IV. FACTS

A. Cloudpath Networks and its Business

1. Overview

Cloudpath was formed in 2006. 29 TTABVUE 9¹, Koster 7. Mr. Koster formed the company along with his wife and co-founder, Sara Koster, because they saw an opportunity to bridge enterprise security technologies with personal devices. Such services had not been previously available on a widespread basis. 29 TTABVUE 8. Cloudpath's fundamental technology is onboarding, or moving a device over from one network to another. Cloudpath takes computing devices, configures network parameters around them, provisions (or "onboards") them, and ultimately migrates them over to a secure network. 29 TTABVUE 12. To use Cloudpath's services, end users themselves can access a portal page that is Cloudpath

¹ Mr. Koster's entire testimony transcript is contained in document number 29 in TTABVUE for this cancellation proceeding. For the Board's reference, the actual page number corresponding to the TTABVUE document is cited. Because there are two additional electronic pages of the 29 TTAB document before the first numbered page of Mr. Koster's testimony transcript, "29 TTABVUE 9 " corresponds to numbered page 7 of the transcript: "Koster 7."

software, download an agent, run it, and Cloudpath takes care of all the details of provisioning a user and moving the device over to a new secure network. 29 TTABVUE 12.

2. Mr. Koster's Background

Mr. Koster is the CEO and a co-founder of Cloudpath Networks Inc. Prior to founding Cloudpath, Mr. Koster graduated from the University of Nebraska with a degree in management information systems, which is a combination of business and computer science, with a GPA of 4.0. 29 TTABVUE 7. After college, Mr. Koster worked for several software and network security companies, including the software company JD Edwards, an application service provider called eDeploy, and a network security company called Roving Planet. 29 TTABVUE 8. Mr. Koster is an inventor on four patents relating to network security. 29 TTABVUE 9. Because of his experience in the industry and his current role as CEO of Cloudpath Networks, Mr. Koster has extensive knowledge of many aspects of networking and server capabilities. For example, he is familiar with technology related to reconfiguring static IPs to DHCPs, firewalls, AV, wireless drivers, and operating systems. 29 TTABVUE 14.

3. Products and Services

Cloudpath offers a variety of products and services in the onboarding space. These products include the Xpress Connect Suite, which comprises the Xpress Connect Wizard and the XpressConnect Enrollment System. 29 TTABVUE 27. Versions of the XpressConnect Suite are available for enterprises, higher education institutions, K-12 education institutions, and wireless hotspot providers. 29 TTABVUE 139, Koster Exhibit 104.² A primary function of

² All of the non-confidential exhibits from Mr. Koster's testimony are in document number 29 TTABVUE, in numerical order after Mr. Koster's testimony transcript.

XpressConnect Suite products is to migrate devices between two networks. For example, if a user's machine is to be provisioned onto a new network, XpressConnect, in an automated fashion, figures out what needs to be changed on a user's machine, makes those changes, and migrates the machine from the network it was on to a new network. 29 TTABVUE 28. One common implementation is when an institution, such as a university, has both an unsecure wireless network and a secure wireless network. A user's machine might first be connected to the unsecure wireless network, and in order to move over to the secure network, XpressConnect configures the machine and then migrates it by disconnecting the machine from the unsecure network and reconnecting it to the secure network. 29 TTABVUE 30. The XpressConnect Wizard is designed to allow this onboarding to take place in an automated, self-service manner. In the past, a user or an IT administrator would have to be involved and manually click buttons in order to complete the provisioning. 29 TTABVUE 29-30. One advantage of the XpressConnect Suite is that because the provisioning is provided in an automated, self-service manner, IT administrators do not have to be involved in the provisioning of each individual device onto a network, which reduces the costs associated with IT support. 29 TTABVUE 31.

In addition to the XpressConnect Suite of products, Cloudpath also provides support and consulting services related to setting up, troubleshooting, supporting, and maintaining Cloudpath's products. 29 TTABVUE 18. Additionally, customers often rely on Cloudpath's support services for the full scope of issues related to making provisioned devices work, regardless of whether a problem is related to a peripheral device or the system in general, or whether it is an issue with a Cloudpath product. 29 TTABVUE 18.

Often, Cloudpath's customers require support related to setting up servers in order to get Cloudpath software up and running. Cloudpath's enrollment system is a virtual machine (VM)

that can be run either on Cloudpath's own servers or on the customer's own cloud or data center, based on the preference of the customer. 29 TTABVUE 50. If a customer chooses to run the Cloudpath VM on the customer's own servers, Cloudpath often provides support for that migration and conversion. 29 TTABVUE 50-51. For example, one Cloudpath Networks customer, Fairfax County Public Schools, wanted the Cloudpath VM on physical servers. As part of Cloudpath's professional services, Cloudpath bought several physical servers, installed VMWare on them, and put Cloudpath's VM on those servers. 29 TTABVUE 51. Cloudpath assists customers with both the initial deployment of the VM as well as long-term maintenance of it, including things like changing the IP and changing memory requirements on the VM. In some instances, Cloudpath provides support when customers need to migrate their Cloudpath VMs from one data center to another. For example, one Cloudpath customer, Meijer retail stores, moved their VM from one data center to another and replicated their VM onto multiple server instances. Cloudpath provided support for the configuration required for that migration. 29 TTABVUE 52.

4. Customers, Sales Channels, and Partners

Cloudpath relies in part on various partner networks in order to bring in new clients. These partner networks include Amazon Web Services, Google, and Ruckus. 29 TTABVUE 52-53. Additionally, Cloudpath utilizes direct sales channels and resellers. Resellers often have relationships with end customers who want to implement a large IT project, and the implementation of Cloudpath services can be one part of that large project. 29 TTABVUE 56. Many of the resellers use the Cloudpath name and logo. 29 TTABVUE 55-56.

The majority of Cloudpath's customers hear about Cloudpath through word-of-mouth from industry peers, especially in the education and service-provider industries. 29 TTABVUE

24-25. Often, these potential customers are IT administrators, who turn to the internet to search for Cloudpath based on a recommendation. It is important that when users are looking for Cloudpath on the internet, that they find it. 29 TTABVUE 25, 59. Therefore, Cloudpath Networks has paid for search engine optimization, Google Adwords, and Lead Lander (website visitor tracking) services over the past few years. 29 TTABVUE 57-60.

Mr. Koster conducted two Google searches during the six month period preceding his testimony. The first search was for the word “Cloudpath” without a space. The first four search results, in order, were 1) Cloudpath’s paid ad through Adwords, 2) Cloudpath’s website, 3) Racemi’s website, and 4) the website of a customer who has Cloudpath Network’s product deployed on their network. The second search was for the words “Cloud path” with a space. The first three search results were 1) Racemi’s website, 2) Cloudpath Networks’ website, and 3) another page of Cloudpath Networks’ website. 29 TTABVUE 58-59.

Initially, when Cloudpath first started buying Adwords, the company bought ads related to searches for generic concepts, such as onboarding, security, and Wi-Fi. However, in the last couple of years, Cloudpath has paid for searches for the actual word “Cloudpath,” because Racemi’s website started appearing in those searches when it had not before. 29 TTABVUE 60.

Other channels through which Cloudpath obtains customers are tradeshow. Among the tradeshow Cloudpath has attended in recent years are FOSE, EDUCAUSE, Internet2 Global Summit, RSA, ACUTA, Mobile World Congress, CEBIT (Germany), BETT (UK), and Interop. 29 TTABVUE 63-65. Many of these tradeshow have very high numbers of attendees. For example, CEBIT in Germany had over 250,000 attendees, and Mobile World Congress had about 75,000 attendees. 29 TTABVUE 63-64. Cloudpath was a finalist for Mobile World Congress’s biggest award, even though Cloudpath did not have a booth. Cloudpath has had sponsorship

presence at some of these tradeshows alongside competitors and large cloud service providers with well-known brands. Internet2 Global Summit is a tradeshow for a variety of network, computer and Internet-related companies where the technology topics discussed are related to faster communications and bigger and faster data centers, among other things. 29 TTABVUE 65. Cloudpath was a booth sponsor and roundtable sponsor of Internet2, and appeared alongside other sponsors, such as Cisco, a competitor, and Verizon Terremark, a large public cloud service provider. 29 TTABVUE 66.

The types of customers that typically purchase Cloudpath's goods and services vary in sophistication, but most of them are relatively unsophisticated in knowledge about the intricacies of computer networking and cloud computing, particularly with respect to the underlying technology of the goods and services that Cloudpath provides. In the K-12 industry, the purchaser often does not have much technical training—sometimes the school's IT administrator is a math or science teacher that had been put in charge of putting together the network. 29 TTABVUE 35. At higher education institutions, and at various enterprise organizations, many purchasers have broad titles such as IT administrators, system administrators, IT managers, CIOs, and CTOs. These individuals are often technically sophisticated but also have a wide range of technology responsibilities. Certain others have more specific titles and responsibilities, such as network administrators or help desk administrators. 29 TTABVUE 54-55.

5. The Cloudpath Company Name and Mark

a. Selection of the Cloudpath Name

Mr. Koster and his co-founder and wife, Sara Koster, originally thought of the name Cloudpath early on in the company's formation. They searched the USPTO website

and goodwill. One example stems from Cloudpath's involvement with Interop. Interop is an organization that puts on conferences for general business IT topics. 29 TTABVUE 96. In the early days of Cloudpath's formation, Mr. Koster was selected by a group of his peers to be a member of Interop Labs, which is an experimental team for new technology associated with interoperability of networks and computing devices. 29 TTABVUE 13. He even led the Interop Labs team for one year. 29 TTABVUE 13. He regularly speaks on panels around the world regarding onboarding, WPA-2 Enterprise, 802.1X technologies, and related topics. 29 TTABVUE 26.

Cloudpath's success has been accompanied by name recognition among institutional customers and those customers' end users. For example, Cloudpath Networks' direct customers often refer to their own companies as a "Cloudpath shop" to identify themselves as users of Cloudpath software. 29 TTABVUE 20, 29 TTABVUE 137, Exhibit 103. End users, such as students, send in support tickets saying that their university "runs a Cloudpath network," even though these characterizations are technically inaccurate. 29 TTABVUE 20. Further, existing customers have publicly expressed brand loyalty to Cloudpath. In one instance, a customer from the University of Syracuse, Lee Badman, who was the chairperson for the Wireless and Mobility Interop conference this past year, gave a strong endorsement of Cloudpath in response to a question from a peer on an education listserv. Mr. Badman, a respected person in the wireless and mobility industry, told his peer "give me Cloudpath or give me death." 29 TTABVUE 23. Due to Cloudpath's name recognition and reputation, several well-established technology companies have latched on to Cloudpath's brand when entering the onboarding space. For example, Motorola and Jupiter both partnered with Cloudpath

to create their own branded OEM solutions. They introduced them to potential customers during a forum known as Wireless Field Day. Several technically savvy customers noted on Twitter that they recognized the products as Cloudpath's. 29 TTABVUE 22.

Motorola's sales representatives have been open about the fact that the technology underlying their OEM products was Cloudpath's when they talked to customers, because Cloudpath is known in the industry as a proven solution. 29 TTABVUE 22.

B. Racemi's Business and its Activities

1. Racemi's Cloud Path Software and Marketing Thereof

James Strayer, Racemi's Vice President of Product Management and Marketing, gave a deposition in this case, and was designated as one of Racemi's witnesses under F.R.C.P. 30(b)(6) to answer questions on behalf of Racemi. 23 TTABVUE Strayer Deposition 6

(CONFIDENTIAL)⁴. Racemi's registration for the CLOUD PATH mark includes a description of goods and services which states "Software as a Service, SaaS services features a hosted computer software application for migrating computer operating systems, applications and data between customer data centers and public cloud providers." 23 TTABVUE Strayer Deposition 5.

Mr. Strayer believes this is an accurate description of the services for which Racemi markets its Cloud Path software. 23 TTABVUE Strayer Deposition 72. According to Mr. Strayer, the description of goods and services is almost marketing copy from Racemi's website. 23

TTABVUE Strayer Deposition 71. Mr. Strayer categorizes Racemi's industry as cloud computing and data center management. According to Mr. Strayer, the Cloud Path software

⁴ Mr. Strayer's entire deposition has been submitted as confidential, and is contained in document number 23 TTABVUE. References to Mr. Strayer's deposition page number have been included because the document is not available for electronic viewing on TTABVUE.

Cloudpath Networks also configures networks for operating systems. 29 TTABVUE 85. Cloudpath also runs on a virtual machine. 29 TTABVUE 50. In Cloudpath's case, Cloudpath refers to a first network as an unsecure network, rather than a data center as Racemi refers to it, but they are both networks. 29 TTABVUE 85. Cloudpath configures a device and moves it over to a second network, which Cloudpath refers to as a secure network. In order to give a user validation that their device has been moved between networks, Cloudpath also shows a new IP address to the user. 29 TTABVUE 86.

In sum, in both Racemi Cloud Path's software and Cloudpath Networks' software, the software runs on a virtual machine. The software captures information about a customer's operating system, and then performs network configurations on that operating system. The software migrates the operating system from one network to another, and verifies that the migration has taken place by showing the user a comparison between the old IP address and the new IP address of the operating system. Racemi's Cloud Path software and Cloudpath Networks' software are very similar.

D. Actual Confusion

There have been a number of instances from which it is possible to *infer* actual confusion and at least one documented case of *outright* actual confusion between the source of goods and services of Cloudpath Networks and Racemi's Cloud Path.

1. Confusion in Internet Searches

Cloudpath pays for several analytics tools that track website behavior, including Google Analytics and Lead Lander. With these tools, Mr. Koster has identified several instances of internet user behavior that are of concern to him. One example shows that a

Nair's photo, Racemi's Cloud Path logo appeared. 29 TTABVUE 98, 29 TTABVUE 172. Mr. Koster was incredulous and took a photo of the mistake on the slide. 29 TTABVUE 173. When Cloudpath brought up the mistake to Mr. Finneran after the incident, Mr. Finneran was apologetic and indicated that he must have grabbed the incorrect Racemi logo off of the internet. 29 TTABVUE 99-100.

V. ARGUMENT

A. Issues Under Section 2(d) of the Trademark Act

1. Cloudpath Networks has standing and a valid ground of cancellation.

A petition to cancel the registration of a mark may be filed by anyone "who believes it is or will be damaged by the registration." 15. U.S.C. §1064. The party seeking cancellation must prove 1) that it has standing and 2) that there are valid grounds for the cancellation. *Cunningham v. Laser Golf Corporation*, 222 F.3d 943, 55 U.S.P.Q. 2d 1842 (Fed. Cir. 2000). Standing is evaluated liberally, and can be shown by establishing a direct commercial interest. *International Order of Job's Daughters v. Lindeberg & Co.*, 727 F.2d 1087, 220 U.S.P.Q. 1017 (Fed. Cir. 1984). Prior owned registrations and products sold under the mark they register suffice to establish a party's commercial interest. *Cunningham*, 222 F.3d 943, 55 U.S.P.Q. 2d 1842.

Cloudpath Networks owns the prior registration for the CLOUDPATH mark. U.S. Reg. No. 4,045,900, and sells products under the registered name. Further, Cloudpath has actually been damaged because it has been compelled to spend money on search engine advertising and search engine optimization where it had not before; namely, pertaining to the words "cloud" and "path," in order to ensure customers searching for Cloudpath

Networks would not find Racemi's website instead. Therefore, Cloudpath believes it is currently damaged, and will be damaged in the future, by Racemi's registration, and has standing in this case.

Cloudpath Networks also has a valid ground of cancellation. If a registered mark has been on the Principal Register for less than five years, any ground that would have prevented registration in the first place qualifies as a valid ground. *International Order*, 220 U.S.P.Q. at 1020. Section 2(d) of the Lanham Act, regarding a prior registration and a likelihood of confusion, qualifies as a valid ground. *Cunningham*, 55 U.S.P.Q. 2d at 1843. Because Cloudpath relies on priority and likelihood of confusion, Cloudpath has a valid ground of cancellation.

Cloudpath also asserts a separate ground of cancellation under Section 1(a) of the Lanham Act. A plaintiff who can show standing on one ground has the right to assert any other grounds in a cancellation proceeding. TBMP §309.03, citing *Corporacion Habanos SA v. Rodriguez*, 99 U.S.P.Q. 2d. 1873, 1877 (TTAB 2011). Because Cloudpath has standing to assert a ground of cancellation under Section 2(d), Cloudpath also has standing to assert a ground of cancellation under Section 1(a).

2. Cloudpath Networks has priority

The record demonstrates that Cloudpath may rely on a priority date of October 1, 2008. The testimony of Mr. Koster and corresponding Exhibit documents show that Cloudpath has continuously used the CLOUDPATH mark since at least as early as October 1, 2008 as its company name and as a house mark. The CLOUDPATH mark was registered on October 25, 2011.

of trade channels, the conditions under which and buyers to whom sales are made, and the nature and extent of actual confusion.

a) The Marks are Identical

The relevant points for comparison for a word mark are appearance, sound, meaning, and commercial impression. See, e.g., *Palm Bay Imps., Inc., v. Veuve Cliquot Ponsardin Maison Fondée en 1772*, 396 F.3d 1369, 1371, 73 U.S.P.Q. 2d 1689, 1691 (Fed. Cir. 2005). Regarding each factor, the marks could hardly be more similar. CLOUDPATH and CLOUD PATH are identical except for the space in the middle of Racemi's mark. As the record demonstrates, in commercial use, even the weakly-differentiating space disappears, both as a result of mistakes by Racemi and consumers, and by the nature of how words are used on websites and social media. Therefore, in many instances, the commercial impression—how consumers actually perceive the mark—is identical. It cannot be disputed that the marks sound identical.

Regarding meaning, the meaning or connotation of a mark must be determined in relation to the named goods and services. See, e.g., *In re Sears, Roebuck and Co.*, 2 U.S.P.Q. 2d 1312, 1314 (TTAB 1987). Both Cloudpath and Racemi's named goods and services are related to "online software" (Cloudpath) and "software-as-a-service" (Racemi). The word "cloud" is well known across the internet, computer, and software industries as synonymous with "internet." The dictionary meaning of the word "path" is "a track constructed for a particular use." "*Path*," *Merriam-Webster.com*, www.merriam-webster.com/dictionary/path, accessed July 14, 2015. Given that both companies construct a virtual "path" for moving aspects of computer systems on the internet, the commercial impression to those in the internet, computer, and software industries is

exactly the same with the CLOUDPATH and CLOUD PATH marks. That is, those in any computer industry would identify goods, services, and companies with the name Cloudpath or Cloud Path in that industry as having something to do with virtually moving things on the internet.

Because the marks are identical or virtually identical in appearance, sound, meaning, and commercial impression, the similarity factor weighs strongly in Cloudpath's favor.

b) The Goods and Services are Confusingly Similar

In assessing the relatedness of the goods and/or services, the more similar the marks at issue, the less similar the goods or services need to be to support a finding of likelihood of confusion. *In re Shell Oil Co.*, 922 F.2d 1204, 1207, 26 USPQ 2d 1687, 1689 (Fed. Cir 1993). If the marks are identical or virtually identical, the relationship of the goods and service need not be as close as would be required if there were differences between the marks. *Id.*, 992 F.2d at 1207, 26 USPQ2d at 1689. This Board, and the Federal Circuit have repeatedly held that the nature and scope of a party's goods or services must be based on the goods and services recited in the registration. See, e.g., *Stone Lion Capital Partners, L.P. v. Lion Capital LLP*, 746 F.3d 1317, 110 USPQ2d 1157, 1162 (Fed. Cir. 2014).

Given that the CLOUDPATH and CLOUD PATH marks are virtually identical, goods and services less similar than those offered by Cloudpath and Racemi could be found to support a finding of likelihood of confusion. But here, Cloudpath's and

Racemi's goods and services are so similar that confusion as to the source of the goods is inevitable. Cloudpath's registration recites the following goods and services:

Providing access to online software for use in automated troubleshooting of computer software problems with access restricted to authorized users.

Racemi's registration cites the following goods and services:

Software as a service (SAAS) services featuring a hosted computer software application for migrating computer operating systems, applications, and data between customer data centers and public cloud providers.

The Federal Circuit and this Board have held that a registration that describes goods or services broadly, without limitation to their nature, type, or otherwise, is presumed to encompass all goods and services described. See, e.g., *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, 719 F.3d 1367, 1373, 107 USPQ2d 1167, 1173 (Fed. Cir. 2013). Cloudpath's description of goods and services is broad and encompasses the goods and services described in Racemi's registration. The following table shows how the terms used in Racemi's registration correspond to Cloudpath's registration in view of evidence of Racemi's actual good and services in the record:

Cloudpath Description	Racemi Description	Evidence in Record
Providing access to online software...	Software as a service (SAAS) services featuring	Racemi's Cloud Path is hosted as a software service in the cloud,

	a hosted computer application	currently hosted on Amazon Web Servers. Strayer Deposition 17.
....for use in automated troubleshooting of computer software problems...	...for migrating computer operating systems, applications, and data...	Racemi's Cloud Path software allows a user to move a workload between two platforms, and in order to do so, it automatically accounts for differences, or dissimilarities, between the two platforms so that the server will run properly in the new environment. Strayer Deposition 15.
...with access authorized to restricted users.	...between customer data centers and public cloud providers.	Racemi installs a management agent on each server the customer wishes to migrate, which allows Racemi to capture the contents of the server. Racemi charges for each successfully migrated

		server. Strayer Deposition 17-18.
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By providing software as a service, Racemi “provides access to online software.” When Racemi migrates a server, and accounts for all the differences between the first platform and the target platform, the software is essentially identifying potential problems and automatically fixing them, which can also be described as “automated troubleshooting of computer software problems.” Racemi also installs the management portion of its software on servers it wishes to migrate, and nothing in the record indicates that access to server migration would be anything other than “restricted to authorized users.”

An application (and similarly, a registration) does not avoid a likelihood of confusion determination by more narrowly identifying goods and services. *See, e.g., In re Linkvest S.A.*, 24 U.S.P.Q. 2d 1716 (TTAB 1992). Here, Racemi’s description of goods and services specifies that it performs migrations between customer data centers and public cloud providers. Racemi’s description is therefore narrower, but still encompassed by, Cloudpath’s description.

Further, the actual good and services that Cloudpath Networks and Racemi offer align with their respective goods and services description, and the actual goods and services both companies offer overlap with each other. As the record shows, both Cloudpath Networks’ products and Racemi’s Cloud Path run on a virtual machine, capture client operating systems, configure networks, migrate operating systems from one

Racemi may contend that its own customers are sophisticated, and that the sophistication of its customers reduces the likelihood of confusion. The Federal Circuit has indeed held that “circumstances suggesting care in purchasing may tend to minimize the likelihood of confusion,” because “only sophisticated purchasers exercising great care would purchase the relevant goods.” *In re N.A.D. Inc.*, 754 F.2d 996, 999-1000, 224 U.S.P.Q. 969, 971 (Fed Cir 1985). In view of this holding, Racemi may contend that because its main sales model is to partner with large cloud service providers, Racemi’s main purchasers are mostly just those large cloud service providers, who in turn offer Racemi’s services to end customers wishing to migrate their servers, and that Racemi’s main customers are therefore “sophisticated.” Racemi may contend that those end customers, who themselves may be the IT administrators and system administrators (with broad IT responsibilities) that Cloudpath targets, are not really the most common Racemi “customer.” However, even if these Racemi end user IT administrators are not paying for the migration themselves, they are still accessing Racemi’s Cloud Path software through a Racemi Cloud Path branded web-portal and using the service, and are exposed to Racemi as the source of the goods and services.

In the present case, there is no evidence or “circumstance suggesting care in purchasing.” In fact, Racemi admits that most of its end users (i.e., customers of Racemi’s partners) can use Racemi Cloud Path Software for free. Hardly any care at all may be needed to make a purchasing decision when the perceived price to the customer is nothing. An IT administrator making the decision to use Racemi’s Cloud Path software may have already decided to pay to have their company’s servers hosted on a public cloud provider, such as Amazon Web Services or IBM Softlayer, and their decision to

click on the free Racemi Cloud Path software to move it over may not be a carefully considered one. It is easy to imagine that an IT administrator making this decision to use Racemi's Cloud Path software may be person who is already familiar with Cloudpath Networks' products and services, and could easily be confused into thinking the Racemi Cloud Path software is from Cloudpath Networks.

The conditions under which sales are made for both Racemi and Cloudpath often involve the same kinds of circumstances in a customer's business—a time of hardware and software changes. The types of purchasers to which sales are made by both companies are also often the same: typically, the purchaser is an IT administrator or system administrator with a wide range of IT-related responsibilities. Sometimes, that purchaser is not very sophisticated. The financial decision to purchase Racemi's Cloud Path software does not require careful consideration. Therefore, this factor weighs strongly in Cloudpath's favor.

e) Actual Confusion, even among highly sophisticated consumers.

No showing of actual confusion is necessary to support a finding of likelihood of confusion. *Herbko Int'l, Inc., v. Kappa Books, Inc.*, 30 F3d 1156, 1165, 64 USPQ 2d 1375, 1380 (Fed Cir. 2002). However, evidence of actual confusion, if available, is entitled to substantial weight in the likelihood of confusion analysis. *Hubbard Feeds, Inc. v. Animal Feed Supplement, Inc.*, 182 F.3d 598, 602, 51 USPQ 2d 1371 (8th Cir. 1999). One type of confusion courts have recognized is where customers mistakenly believe that the defendant's website is the plaintiff's official website. *Garden of Life, Inc. v. Letzer*, 318 F.Supp. 2d 946 (C.D. Cal 2004).

Cloudpath has obtained numerous documented reports of individuals located at the headquarters of major Racemi partners (including Windstream, GoGrid, and Rackspace) clicking through Cloudpath Networks' website. There are only two logical inferences from such occurrences. For Racemi, the less damaging inference would be that Racemi's own partners were aware of the existence of Cloudpath Network sometime before or after their partnership agreements with Racemi, and had some kind of concern about the existence of a company with the Cloudpath name. The more damaging inference is that Racemi's own partners were confused about whose website they were visiting, and found Cloudpath's website in their search for Racemi's website.

Racemi may assert that its customers are not likely to be confused because they are highly sophisticated and technical; however, this argument fails in light of the evidence of actual confusion that occurred with one of the most sophisticated kinds of consumers. Michael Finneran owns an IT consulting firm. He is the type of third party individual who evaluates IT vendors for his own enterprise customers. He is highly familiar with Cloudpath Networks, having judged their product at the Interop Conference. Even he did not notice when he ended up on Racemi's website, obtained their logo, and identified it as the proper representation of Cloudpath Networks. If he was confused as to the source of goods and services, others are likely to be as well. This factor weighs strongly in Cloudpath's favor.

B. Issue Under Section 1(a)

1. Racemi's CLOUD PATH mark is void *ab initio* because it was not used in commerce as of the application date.

In order to register a mark under Lanham Act §1(a), a mark must be “used in commerce.” 15 U.S.C. §1051(a)(1). A mark for services is used in commerce only when both [1]”it is used or displayed in the sale or advertising of services and [2] the services are rendered...” 15 U.S.C. §1127. This Board has held, and the Court of Appeals for the Federal Circuit has affirmed, that rendering services requires actual provision of services. *Couture v. Playdom, Inc.*, No. 14-1480 (Fed. Cir. 2015). In *Couture*, the Board granted the cancellation of the registrant Couture’s PLAYDOM mark because “[n]o services under the mark were provided until 2010, well after the application was filed.” *Couture* at 2. Further, the applicant “had not rendered his services as of the filing date of his application, and had “merely posted a website advertising his readiness, willingness and ability to render said services.” *Couture* at 3. The court found that the registration was therefore void *ab initio*.

In the present case, Racemi filed for registration of its CLOUD PATH mark under section 1(a), for first use in commerce, on October 31, 2011. Racemi Exhibit 5. The application stated a first use in commerce date of August 23, 2011. However, Racemi provided no actual services under the CLOUD PATH mark until March 2013. Like the registrant in *Couture*, Racemi provided no actual services until well after the date of application. Therefore, Racemi’s mark is void *ab initio*.

VI. CONCLUSION

Racemi registered its CLOUD PATH mark for “software as a service (SAAS) services featuring a hosted computer software application for migrating computer operating systems, applications, and data between customer data centers and public cloud providers.”

Cloudpath Networks registered its CLOUDPATH mark for services encompassing those stated in Racemi's registration, and has been continuously offering its goods and services under the mark since well before Racemi's registration and well before Racemi's first use in commerce date. Cloudpath has proven that each of the relevant *DuPont* factors weighs heavily in its favor. The marks are virtually identical, the goods and services are highly similar, and both companies sell and market in the same channels of trade. Further, the circumstances under which sales are made and the types of purchasers to which they are made are highly similar. Actual confusion has occurred even with highly informed consumers. Under Section 2(d) of the Lanham Act, Racemi's CLOUD PATH mark should be cancelled because of Cloudpath's priority and the likelihood of confusion between the marks.

An alternative, but equally applicable ground of cancellation is that Racemi's CLOUD PATH mark is void *ab initio* because Racemi filed the mark under Section 1(a) of the Lanham Act, and failed to provide services under the mark as of the filing date.

In view of each of the above grounds, Cloudpath respectfully requests that the Board grant its petition for cancellation and order that that Registration No. 4,174,640 be cancelled.

Respectfully Submitted,

/Craig A. Neugeboren/

Dated: July 15, 2015

Craig A. Neugeboren

Attorney for Petitioner

Neugeboren O'Dowd PC

1227 Spruce St., Suite 200

Boulder, CO 80302

Certificate of Service

I certify that on July 15, 2015, I had the foregoing documents served on Mr. Larry Jones, counsel for Racemi, Inc. via email, pursuant to an agreement between the parties to serve all such documents electronically.

/Craig A. Neugeboren/

Craig A. Neugeboren

Neugeboren O'Dowd PC

Attorneys for Cloudpath Networks, Inc.